



# City of Appleton

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## RESOLUTION NO. 2021- 26

### A RESOLUTION TO ESTABLISH A PAYMENT IN LIEU OF TAXES PROGRAM WITH APPLETON AREA HEALTH

**WHEREAS** the City of Appleton is the owner of the Appleton Area Health Pursuant to Minn. Stat. §412.221 Subd. 16; and

**WHEREAS**, Appleton Area Health is an enterprise of the City of Appleton; and

**WHEREAS**, it is in the interest of the City of Appleton to offset tax burdens associated with providing Appleton Area Health Access to the City of Appleton Ad Valorem Tax Levies; and

**WHEREAS**, the City of Appleton is the lawful guarantor for Appleton Area Health Debt Service, Lines of Credits, and all legal applications for credit associated to capital and operational functions; and

**WHEREAS**, the City of Appleton credit Rating and Bond Rating is directly impacted by Appleton Area Health's financial performance; and

**WHEREAS**, Appleton Area Health's access to credit and debt issuance is impacted by the City of Appleton Credit Rating and Bond Rating;

**NOW THEREFORE, BE IT RESOLVED** that the City Council of Appleton, Minnesota hereby Establishes a Payment In Lieu Of Taxes (P.I.L.O.T) with Appleton Area Health.

Effective January 1<sup>st</sup>, 2022 Appleton Area Health shall pay a percentage of not less than 22% of the assessed property taxes that would be due were Appleton Area Health classified as a for profit hospital, as assessed by the County Assessor and not less than 6% of debt service for all outstanding debt guaranteed by the City of Appleton Ad Valorem Taxing Authority, or the equivalent of one half-day of cash on hand whichever is greater. The City Council Shall vote every year end, not later than the December deadline for the submission of the final Tax Levy, to Establish what percentage of the assessed property taxes the P.I.L.O.T shall collect for the ensuing year. The City Council shall seek a recommendation from the Hospital Board for any P.I.L.O.T amounts greater than 100% of the property taxes that would be due as presented by the County Assessor or any amounts equal to greater than 15% of outstanding debt service that is guaranteed by the City of Appleton Taxing Authority. P.I.L.O.T disbursements shall be due to the City of Appleton on a quarterly basis.

Passed by the City Council of Appleton, Minnesota this 29th day of September, 2021.

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Dan L. Tosel, Mayor

Attested: \_\_\_\_\_

Emma R. Haugen, City Clerk/Treasurer